
HMOs and Physician Recruiting: a Survey of Problems and Methods Among Group Practice Plans

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THE ENROLLEES of a health maintenance organization constitute a health community for whom the HMO must provide a balanced assortment of physicians to fulfill their needs for medical care. The physicians enable the plan to meet its obligation of providing comprehensive and readily accessible health services to its members. For the new or expanding HMO, this responsibility means planning for future growth against estimates of membership at some advanced date and, for all HMOs, there is a need to replace physicians who retire or leave for other opportunities.

In estimating their requirements for physicians, HMOs have available the regulations of the HMO Act of 1973 (1) and the experience of existing plans to supply guidelines concerning the number of full-time physician equivalents that might be supported by a given enrollment (2,3). Enrollments as low as 3,000 to 4,000 persons, for example, may support a full-time internist in general practice, a pediatrician, and a family practice physician. A physician in obstetrics and gynecology and a physician in general surgery may require about

10,000 enrollees to support in full-time practice, while other specialties may require in the range of 30,000 to 40,000 enrollees or even more. Thus, the kinds of specialties employed by an HMO will be dependent on the number of members and, to a lesser extent, their characteristics.

Recruiting physicians for HMOs may present some special problems not as relevant in other situations where physicians are employed. Primary care physicians in group practice HMOs must, in most cases, be employed nearly full time by the plan. New HMO physicians must often be passed on for employment by other physicians in the plan and be elected into partnership after some time. Finally, from the viewpoint of the physician who may be considering practice in prepaid group medicine, it still represents a departure from traditional medicine, even after its history of growth over the past four decades.

Among new physicians, however, HMOs may be finding increasing acceptance. The cost of a medical education and of establishing a new office may be important deterrents to beginning a solo, fee-for-service practice. Also, the complexity of today's medicine may encourage physicians to seek arrangements in

which other physicians are more readily available to them than is customary in the typical private practice. In a 1975 study among a random sample of medical students, Colombotos observed that about three out of four would prefer practicing with other physicians to working in their own offices without partners ("Medical Students and House Staff Attitudes Toward National Health Insurance," unpublished paper by John Colombotos, PhD, Columbia University School of Public Health, 1974).

This report describes the results of a mail survey of medical directors of group practice HMOs who were asked about recent experiences in recruiting new physicians into the plans and the methods that they had employed in locating and hiring new physicians. The research was conducted with the support of the Commonwealth Fund.

The Study Population

Information in this report was gathered from group practice HMOs within the contiguous 48 mainland States. Included in the basic design were all group practice HMOs listed in the national HMO census survey (4) as operating in August 1977 with a minimum of 2,000 prepaid members.

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The plans listed in this census need not have been federally qualified to be included in the study.

The mail survey followed an earlier study of 81 plans meeting the study definition (5,6). Officers of 77 of these plans were contacted by telephone. For the mail survey on physician recruiting, HMOs that failed to reply to the earlier study were not contacted. Also excluded from the physician recruiting study were network or multigroup plans in which each physician group had its own recruitment policy. Among the larger plans excluded for this reason was the Health Insurance Plan of Greater New York with 26 medical groups.

A total of 69 plans responded to the mail survey, conducted during mid-year 1979. About 80 percent of the replies came from persons identified on the questionnaire as the medical director. Most of the remainder were completed by an HMO administrator. The overall response rate was 85 percent of the organizations listed in the HMO census of 1977 (4) and 89 percent of the plans that had been sent the questionnaire.

The Questionnaire

The questionnaire used in the study consisted of a single sheet with

questions on both sides, designed to be completed without assistance from the research staff. On one side of the form were the following questions for each type of primary care physician and each of 12 specialties:

Have you looked for a doctor in this specialty in the past year (either full or part-time)?

When did you last hire someone in this specialty?

How difficult was it to hire someone qualified and also acceptable to your health plan?

How many months did you look the last time?

The following summary question was also asked: "Which specialty have you had the most trouble recruiting?"

On the other side of the form were questions about geographic locations from which primary care physicians and specialists were recruited. HMO respondents were also asked about several recruiting sources including graduates of foreign medical schools, physicians just completing residencies, and the faculty or staff of medical schools and teaching hospitals. In addition, information was obtained on medical directors' perceived barriers to recruiting physicians such as income in fee-for-service medicine compared with recompense in HMOs,

general shortages in specific specialties, and physician prejudice against group practice. Finally, questions were asked about recruiting methods, including contacts with professional organizations, institutions, personal contacts, and advertising.

Study Findings

Specialties represented in HMOs.

In preparing the questionnaire it was assumed that all group practice HMOs have physicians who are full time or part time in primary care; that is, family or general practice, internal medicine, pediatrics, and obstetrics-gynecology. It was also assumed that all groups would have a general surgeon available to them routinely. Whether other specialties were part of the group (full time or part time) would depend, of course, on the size of the medical group. Nevertheless, even very small medical groups may include among their regular physician staff specialists who might normally serve larger population groups. This would be the case, for example, in a plan that is part of the structure of a hospital or medical school. In these structures, physicians such as anesthesiologists may be full time with the organization but give little time to HMO patients.

Table 1. Reports from 69 health maintenance organizations on primary care physicians sought, difficulty in recruiting, and time required

Primary care area	Number of plans recruiting in specialty in past year		Very or fairly difficult to recruit (percent) ¹	Took at least 6 months to recruit last 1 (percent) ¹
	Number	Percent		
Family or general practice	45	65	56	42
Internal medicine	59	86	32	17
Pediatrics	51	74	33	24
Obstetrics-gynecology	49	71	80	51
General surgery	28	41	41	31

¹ Based on number of plans reporting that they had sought physicians in respective specialties in past year.

Ninety percent of the plans reported that they have at least one psychiatrist on their staff either full time or part time. Also, for each of the following specialties about four out of five plans reported that they have on staff at least one physician (full or part time): Ophthalmology, orthopedics, dermatology, radiology, urology, allergy, and otolaryngology. About 70 percent have a specialist in neurology on their staff. Neurosurgery and anesthesiology are the specialties least likely to be represented among the HMOs, and only about half the groups have staff members with this specialty.

The data that follow concern the experience of HMOs in seeking primary care physicians and specialists. The data reported for primary care physicians and general surgeons are based on the complete sample of 69 responding plans; but for specialists, the percentages are based only on those plans reporting they have a staff physician with the specialty under discussion.

Recruiting primary care physicians and general surgeons. Among the primary care specialties, physicians in internal medicine were the most likely to have been sought during the year before this study (table 1).

Table 2. Reports from 69 health maintenance organizations on specialists sought, difficulty in recruiting, and time required

Specialty	Plans with specialist full or part time in group		Recruiting in this specialty in past year		Very or fairly difficult to recruit (percent) ¹	Took at least 6 months to recruit last 1 (percent) ¹
	Number	Percent	Number	Percent		
Psychiatry	62	90	34	55	35	53
Ophthalmology	60	87	33	55	49	21
Orthopedics	58	84	30	52	87	70
Dermatology	57	83	28	49	32	25
Radiology	57	83	19	33	37	16
Urology	57	83	26	46	65	31
Allergy	56	81	19	34	63	37
Otolaryngology	56	81	25	45	80	52
Neurology	50	72	19	38	100	37
Neurosurgery	34	49	7	21	71	43
Anesthesiology	32	46	10	31	90	60

¹ Percentages based on number of plans reporting that they had sought physicians in respective specialties in past year.

Eighty-six percent of the 69 HMOs reported that they sought someone in internal medicine. In contrast, 74 percent of the groups sought pediatricians, 71 percent sought an obstetrician-gynecologist, and 65 percent sought physicians in family or general practice. It should be noted that whether or not a plan was seeking a particular primary care physician may be a function of the number of physicians in the specialty normally used by a group. The larger the group, the more likely the need to recruit at least one physician in the specialty.

When asked to rate the difficulty experienced in finding primary care physicians, those in obstetrics-gynecology were the most likely to be reported as very or fairly difficult to find. (The respondents could also choose to answer "not difficult"). Among the medical groups, 80 percent reported that the last time they recruited someone in obstetrics-gynecology they had found it very or fairly difficult to do so, 56 percent of the groups found it difficult to locate a suitable family or general practitioner, and about one-third reported problems in recruiting physicians in internal medicine and physicians in pediatrics.

General surgery is not a primary physician specialty, of course, but recruiting these specialists is discussed since nearly all HMOs have at least one part-time general surgeon on their staffs. Twenty-eight percent of the medical groups reported looking for or hiring a general surgeon during the past year, and 41 percent of these groups indicated that it had been very or fairly difficult to find one.

Another measure of the effort required to recruit specialists is the time spent in locating a suitable physician. The findings on this item roughly parallel those of the previous question on difficulty in locating physicians. Fifty-one per-

cent of the 49 groups seeking a physician in obstetrics-gynecology required at least 6 months to locate the last one hired, while 42 percent of the groups seeking a family or general practitioner took this long. Among groups seeking a pediatrician 24 percent took at least 6 months, and 17 percent of the groups seeking an internist took this long.

Recruiting specialists. Among specialists, those most likely to have been sought or hired during the previous year were psychiatrists, ophthalmologists, and orthopedists. Among HMOs with these specialists on their staffs, at least half reported they had sought or hired physicians with these specialties (table 2). Almost the same proportion of groups sought specialists in dermatology (49 percent), urology (46 percent), and otolaryngology (45 percent). About a third or fewer of the plans that employ allergists, radiologists, anesthesiologists, neurologists, or neurosurgeons sought physicians in these specialties during the previous year.

When asked about the difficulty they had had in recruiting physicians in each specialty for which they recruited during the previous year, all 19 plans that sought neurologists reported having a very or fairly difficult time, and 9 of 10 plans that sought anesthesiologists reported this much difficulty. Eighty-seven percent of the plans that recruited or sought an orthopedist reported this to be very or fairly difficult, as did 80 percent of those seeking an otolaryngologist. About two out of three plans which sought urologists or allergists reported having difficulty in recruiting these specialists. Fewer than half of the plans reported difficulties in recruiting for the following specialties: ophthalmology, radiology, psychiatry, and dermatology.

When asked about the number

of months spent in recruiting, the search for orthopedists tended to take longer than that for other specialists. Seventy percent of the plans that sought orthopedists reported that it took 6 months or longer to find the last one recruited. Other specialties for which the last recruiting effort required 6 months or longer by at least half of the plans concerned included anesthesiology (60 percent), psychiatry (53 percent), and otolaryngology (52 percent). The specialties for which the least time was spent in recruiting were ophthalmology and radiology—only about one plan in five which sought these specialties required 6 months or longer to find one the last time.

In responding to a summary question asking them to name the one or two specialties for which they had the most difficulty recruiting, 22 percent of the medical directors named obstetrics-gynecology, 13 percent named orthopedics, and 10 percent mentioned family or general practice. No other specialty was mentioned by more than 4 percent of the directors.

Physician Recruiting Methods

When asked about the importance of various sources which might have been used in recruiting for physicians, HMO medical directors over-

whelmingly indicated that their most important resource was physicians who were just completing their residencies (table 3). Seventy-three percent of the plans reported that these were a very important source of new physicians, and an additional 23 percent reported this pool as fairly important. Faculty or staff from medical schools or teaching hospitals were reported as a very important source of physicians among 19 percent of the medical directors and as fairly important by another 35 percent, while physicians coming out of military service were very important (9 percent) and fairly important (30 percent). Only about one medical director in four attached any importance as a source of physicians to physicians trained in foreign schools. Residents trained by the HMOs themselves do not appear as yet to be an important resource, although 26 percent of the plans regard these as very or fairly important sources of new physicians. An earlier study of these groups found that 30 of the 69 plans had resident programs (6).

Directors were asked about potential problems that they may have had in recruiting new physicians and asked to rate these as very serious, fairly serious, or not serious. The problem rated by two of three

Table 3. Reports from 69 health maintenance organizations on the importance of several sources in recruiting new physicians

Sources	Percent replying—			
	Very Important	Fairly Important	Not Important	No answer
Foreign-born physicians trained in foreign schools	7	16	73	4
American-born physicians trained in foreign schools .....	..	6	90	4
Physicians just completing residencies	73	23	4	..
Physicians coming out of military service	9	30	61	..
Faculty or staff from medical schools or teaching hospitals	19	35	45	1
Residents trained in own health plan ..	7	19	67	7

Table 4. Reports from 69 health maintenance organizations on the seriousness of specific problems in recruiting new physicians

Problems	Percent replying—			
	Very serious	Fairly serious	Not serious	No answer
Fee-for-service pays more than prepaid group practice	17	48	34	1
There is a shortage of specialists in this area	12	17	68	3
Physician prejudice against group practice	9	28	62	1
Physicians don't like to work in group's neighborhood	3	9	87	1
Physicians don't care for this group . .	3	17	78	1

as either very or fairly serious was the higher income from fee-for-service medicine (table 4). Shortages of specialists in the community and physicians' negative attitudes toward group practice were rated as problems by about a fourth of the directors as were problems of working in the neighborhood where the HMO was located.

When asked to rate the usefulness of a number of approaches to recruiting new physicians for their HMO, the personal contacts of the HMO staff were most likely to be regarded as very useful (57 percent), while contacts with staff in hospitals and teaching institutions were rated as very useful by 28 percent of the medical directors (table 5). Nondirect contact also appears to be of value. Thirty-eight

percent of the directors rated ads in newspapers and journals as very useful, and unsolicited inquiries from physicians were rated as very useful by 27 percent. Contacts at professional meetings or at the county medical society were regarded as very useful by fewer than 10 percent of the responding medical directors.

Conclusions

In this mail survey among 69 group practice HMOs throughout the contiguous 48 States information was obtained on the difficulty in recruiting physicians in the major specialties and on methods used in recruiting new physicians for their plans. Among the primary care specialties, it was evident that the greatest difficulty was in locating

an obstetrician-gynecologist — 71 percent of the plans reported that they sought this specialty during the past year, and 80 percent of these found it very or fairly difficult to do so. Among specialists, in several respects the recruiting of orthopedists may have presented the greatest difficulty. Thirty of the 69 plans had sought an orthopedist during the previous year, and 87 percent of these found recruiting very or fairly difficult. There was considerable difficulty in recruiting among other specialties as well, although the problem was not as widespread as that of the plans seeking orthopedists. Nearly all plans which sought neurologists or anesthesiologists reported difficulties in locating physicians in these specialties.

Recruiting among physicians completing their residencies was reported by nearly three out of four plans as a very important source of new physicians. Next in importance was the recruiting of faculty or staff from medical schools or teaching hospitals, reported by 19 percent as a very important resource.

The problem most frequently reported by the plans in recruiting new physicians was that of matching salaries with fee-for-service practice—reported as a very or fairly serious problem by nearly two-thirds. Slightly more than a third thought that physician prejudice against group practice presented a problem in recruiting.

Recruiting methods used by HMOs include both personal contacts and the use of advertisements in newspapers and journals, reported as very useful by 57 percent and 38 percent of the plans respectively. One measure of the increased acceptability of HMOs may be found in the reports of 27 percent of the plans that unsolicited inquiries from physicians were a very useful method of recruiting.

Table 5. Reports from 69 health maintenance organizations on the usefulness of several methods of recruiting new physicians

Methods	Percent replying			
	Very useful	Fairly useful	Not useful or don't use	No answer
Contacts with boards of physicians . . .	..	15	81	4
Contacts with county medical societies	4	13	81	2
Contacts with staff in hospitals or teaching institutions	28	54	17	1
Services of Group Health Association of America . . . . .	..	17	81	1
Newspaper and journal ads	38	38	24	..
Recruiting at professional meetings . . .	7	23	67	3
Personal contacts by staff	57	39	3	1
Unsolicited inquiries from physicians .	27	52	15	6

Responses of medical groups in the study were compared according to several characteristics of the plans, including number of enrollees, number of full-time physicians, and the number of years that they have been operational. Although there were occasional differences among them according to some characteristics, the problems and attempted solutions of large and small groups and old and new groups were largely similar. (Sample sizes were too small to show significance except where differences were large.)

Regrettably, there is little information on the physician recruiting problems of other institutions that seek full- or part-time physicians. These findings offer no evidence that the difficulties which may be encountered by HMOs are greater or less than those of other organizations. Moreover, recent efforts at estimating future physician needs for the country are unclear about current shortages in specific specialties (7).

There is some evidence that the supply of physicians may improve for HMOs in the future. One out of four plans reported, for example, that residents trained in their own plan are very or fairly important sources of new physicians, and an expansion of these residencies may offer increased recruiting opportunities for HMOs. In addition, the information that one in four plans has found unsolicited inquiries from physicians to be a very useful recruiting method may indicate an important reduction in physician bias against HMOs. These observations may point to improved potential for HMOs not only in finding new physicians, but in selecting among physician candidates to improve the quality of their staffs.

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SYNOPSIS

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A mail survey was conducted among 69 group practice health maintenance organizations (HMOs) to collect information on the recruiting of primary care physicians and specialists. In reporting on difficulties in recruiting physicians for primary care, the medical directors of HMOs indicated that the greatest problem

was locating obstetrician-gynecologists. Among specialists, recruiting for orthopedists was reported as being most difficult, although plans that employ neurologists and anesthesiologists generally reported great difficulty in recruiting these specialists.

The most important source of new physicians is the pool of those completing residencies, described by nearly three out of four plans as a very important resource. The next most important source was faculty or staff of medical schools or teaching hospitals. The recruiting methods re-

ported by most plans as the most useful are direct personal contacts and advertisements in newspapers and journals. About one-fourth of the HMOs found unsolicited inquiries from physicians a useful method of recruiting.

The problem most frequently reported in recruiting new physicians was that of matching fee-for-service incomes and second, but far less frequently mentioned, was physician prejudice against group practice. About one in four plans report that residents trained in their own HMOs were a useful recruiting source.